

The complaint

Mr E complained about esure Insurance Limited's service when he claimed under his motor insurance policy

What happened

Mr E's car was damaged in an accident which wasn't his fault. esure decided it was uneconomical to repair. Mr E wanted his car back to arrange for its repair himself. So he agreed with esure an amount they would pay him to reflect the car's market value less its salvage cost to esure.

But Mr E discovered that instead of esure returning his car to him, esure had mistakenly arranged for their salvage agents to sell it at auction. Mr E managed urgently to prevent his car's sale and got his car back. But he felt he'd had to do esure's work for them, and he was unhappy about their poor communication generally. He said he'd had to chase everything and be the only link between esure's different agents involved in his claim. He wanted esure to compensate him for the working time he said he'd lost as a result. He also said that esure should have given him a courtesy car for longer, until he'd had his own car repaired, and the car they gave him was too small.

Mr E accepted they'd made mistakes in not keeping him informed and sending his car for auction. However they felt they'd mitigating that by extending the time for which they gave him a courtesy car. They also apologised and offered him £250 compensation.

Mr E said that this wasn't enough to compensate him for the stress and inconvenience esure had caused him, or his lost income. He also wanted esure to review and improve their procedures to prevent such a situation happening again.

The investigator recommended that his complaint should not be upheld. He thought that esure had made mistakes but had dealt with the matter fairly and their compensation offer was reasonable and in line with our reproach. Mr E didn't agree and so I've been asked to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr E wanted us to review esure's procedures to prevent a similar situation happening again. However, as the investigator explained, that's not our role; it's the role of the Financial Conduct Authority. We don't tell insurers what procedures they should have in place. Instead we consider their responses to consumers' complaints and whether they are fair and reasonable and ensure that any award we make recognises the impact esure's mistakes had on Mr E.

Mr E's policy makes clear that a courtesy car will usually be a small car, so I can't say that was unreasonable. The policy also permitted esure to withdraw the courtesy car when esure decided his car was a total loss, but they extended the hire period until Mr E got his own car back and I think that did reduce the adverse impact of any delay there.

Mr E complained that during his claim esure were difficult to contact, didn't update him, and didn't act quickly enough. He described it as an information vacuum. He said he had to chase everything himself and liaise between esure's approved assessors and their salvage agents urgently, to stop his car being sold by mistake. He said that esure made a large number of errors over an extended period of time and he'd lost working time in dealing with these issues and resolving his claim. Mr E wanted compensation from esure at his hourly charge out rate.

We don't normally make such an award for people's time or calculate anyone's time as an hourly set amount. This is because we don't think that one person's time should be valued at more than another's. But as the investigator explained, we do however consider the impact the matter has had on Mr E in assessing compensation for distress and inconvenience.

esure's file shows that when esure heard about the mistaken proposed auction of Mr E's car before it happened, they noted that they wouldn't allowed any auction of his car to finalise. Nevertheless I can see that Mr E must have experienced short term stress at the possibility of it being auctioned. And while there will inevitably be some level of inconvenience in dealing with an insurance claim, I agree that esure's lack of communication and their salvage agents' "near miss" sale of his car has caused Mr E inconvenience and distress and more than the levels of frustration and annoyance one might reasonably expect from day-to-day life. So I think that it does warrant compensation, but I think that £250 is not out of line with our usual approach to compensation awards for that level of inconvenience, and so it's not unreasonable.

I do see that this will come as a disappointment to Mr E, but I think that overall esure recognised their mistakes, and acted to mitigate them, and the level of compensation they offered him does fairly reflect that. This means that I don't ask esure to do anything more.

My final decision

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 27 November 2024.



Rosslyn Scott
Ombudsman